

March 24, 2008

VIA EMAIL AND FIRST CLASS MAIL

National Marine Fisheries Service
Attn: Rosalie del Rosario
650 Capitol Mall, Suite 8-300
Sacramento, CA 95819

U.S. Fish and Wildlife Service
Attn: Lori Rineck, Chief
Conservation Planning and Recovery Division
Sacramento Fish and Wildlife Office
2800 Cottage Way, W-2605
Sacramento, CA 95825
BDCP-NEPA.SWR@noaa.gov

Re: Scoping Comments on the proposed EIS/EIR for the Bay-Delta Conservation Plan

Dear Mss. del Rosario and Rineck:

We are writing on behalf of the Natural Resources Defense Council ("NRDC"), Environmental Defense Fund ("EDF"), and Defenders of Wildlife ("Defenders") with regard to your agencies' request for input on the proposed Environmental Impact Statement/Environmental Impact Report ("EIS/EIR") for the Bay-Delta Conservation Plan ("BDCP"). *See* 73 Fed. Reg. 4178 (Jan. 24, 2008). Collectively, our organizations represent hundreds of thousands of members and activists in California. EDF and Defenders are participants in the BDCP planning process and members of the Steering Committee. NRDC has previously submitted comments on the BDCP process, but has not participated as a member. Despite our differing levels of participation, our organizations would like to raise the following issues regarding the scope of the proposed EIS/EIR, and urge your agencies to address these issues in order to develop a comprehensive and legally sufficient EIS/EIR.

I. THE EIS/EIR MUST CLEARLY IDENTIFY AND SEGREGATE CONSERVATION ACTIONS FROM WATER SUPPLY RELIABILITY ACTIONS

The BDCP has a number of laudable and potentially competing goals, which will need to be carefully considered in the development of the EIS/EIR. As described by the

California Department of Water Resources, the state lead agency for the EIS/EIR: “the BDCP is intended to secure authorizations that would allow the conservation of covered species, the restoration and protection of water supply reliability, protection of certain drinking water quality parameters, and the restoration of ecosystem health to proceed within a stable regulatory framework.” DWR, Notice of Preparation, BDCP EIS/EIR at 2 (March 17, 2008) (“DWR NOP”). It is clear that some proposed actions will be better at achieving some of these objectives, and worse at achieving others. The EIS/EIR must clearly identify and segregate actions that are proposed to achieve each of these objectives, and how each action affects the remaining objectives, to allow decisionmakers and the public to identify the optimal suite of actions for restoring the Bay-Delta.

With the BDCP’s stated co-equal goals of fish and wildlife conservation and water supply reliability, we urge the federal agencies to structure the EIS/EIR in a manner that does not subjugate the BDCP’s conservation goal to the water supply reliability goal. The NOP states DWR’s intention to “evaluate at least four alternative Delta conveyance strategies in coordination with the BDCP efforts to better protect at-risk fish species, within the context of broader habitat conservation principles....” DWR NOP at 3. In addition, the NOP states that “the collective goals of the PREs will provide the basis for the project objectives under CEQA and the purpose and need statement under NEPA.” *Id.* at 4. These statements could lead the public to believe that the focus of the analysis will be on water supply, with actions to achieve conservation goals being secondary considerations. As you know, an EIS/EIR designed to analyze and authorize new conveyance with fish, wildlife and habitat conservation actions tacked on secondarily will very likely fail to generate the level of necessary level of public support for a Delta plan, not to mention fail to meet all of the BDCP’s goals. Therefore, we urge the agencies to conduct the EIR/EIS analysis in a manner that makes it clear that the BDCP is designed to meet *both* the conservation and water supply reliability goals.

II. THE EIS/EIR MUST INCLUDE IN-DEPTH ANALYSIS OF THE IMPACTS OF REDUCED DELTA DIVERSIONS AND IMPROVED WATER CONSERVATION, RECYCLING AND GROUNDWATER MANAGEMENT

Key actions to help meet water supply reliability and improve the Bay-Delta ecosystem in a cost-effective and environmentally sound manner include increased water conservation, recycling, and conjunctive use of groundwater and surface water. DWR’s most recent State Water Plan update indicates that these three tools combined could cost-effectively yield new water supply on a scale equivalent to recent exports from the Delta: approximately 6 million acre-feet. Broad application of low impact development, appropriate land retirement and transfers, agricultural conservation, water pricing reform, and other tools could generate significant additional supply. Clearly these readily available tools can help provide enough water to meet the state’s future needs while significantly reducing Delta diversions, with potential water supply reliability and ecosystem benefits. While the press release accompanying DWR’s NOP acknowledges that “[i]ncreasing water conservation is an essential element of fixing the Delta,” there is

no clear commitment to include these alternative water supply actions as a central component of the EIS/EIR. The EIS/EIR must include analysis of the impacts of this option.

As DWR explains, the water supply-related goal of the BDCP is “the restoration and protection of water supply reliability.” DWR NOP at 2. Water supply reliability is a function of both supply and demand, and demand reduction measures can be just as effective at improving reliability as supply enhancement measures. Indeed, we believe that they can often be more effective in improving reliability. *See, e.g.,* DWR, Draft State Water Project Delivery Reliability Report 2007. Water users statewide, including those involved in the BDCP, have considerable untapped capacity to improve the efficiency of their water use, reduce their demand through improved groundwater management, water recycling, stormwater capture, and other methods. Realizing this untapped capacity would help reduce water demand, and subsequently reduce reliance on the Delta while improving water supply reliability. *See* NRDC, *Effective Solutions to Meet California’s Water Supply Reliability Needs* (February 25, 2008), appended as Attachment 1; Testimony of Jeffrey Kightlinger, General Manager, Metropolitan Water District of Southern California before the House Committee on Natural Resources, Subcommittee on Water and Power (January 29, 2008), appended as Attachment 2; Testimony of Richard W. Atwater, General Manager, Inland Empire Utilities Agency before the House Committee on Natural Resources, Subcommittee on Water and Power (January 29, 2008), appended as Attachment 3. Indeed, Governor Schwarzenegger recently recognized the potential for this type of demand-side water management by releasing a new water plan that includes a 20 percent reduction in per capita water use statewide by 2020. *See* Letter from Governor Schwarzenegger to Senators Perata, Steinberg, and Machado (February 28, 2008), appended as Attachment 4.

The EIS/EIR should include an analysis of the impact of these demand reduction measures on water supply reliability and the other goals of the BDCP process.

III. THE GEOGRAPHIC SCOPE OF THE EIS/EIR SHOULD INCLUDE STATEWIDE ACTIONS AND IMPACTS

The scoping notice states that the geographic scope of the BDCP is generally limited to the legal Delta. However, whatever the geographic scope of the BDCP itself, NEPA and CEQA require the consideration and analysis of connected actions. It is clear that water use beyond the scope of the legal Delta will affect conservation actions and water supply considerations that are within the scope of the BDCP's goals. For example, upstream water users who deprive the Bay-Delta system of inflow by diverting water upstream of the Delta or contributing polluted return flows clearly impact the downstream ecosystem and fisheries. The Delta Vision Task Force has highlighted the impacts of these upstream diversions. *See* Delta Vision Blue Ribbon Task Force, *Our Vision for the California Delta*, at 37 (November 30, 2007). These impacts and ways to address them should be included in the EIS/EIR.

IV. THE EIS/R MUST ANALYZE A BDCP THAT IS DEVELOPED TO ACHIEVE RECOVERY OF THE BAY-DELTA ECOSYSTEM

The EIS/EIR must clarify that the BDCP will not provide any assurances or take permits without a firm commitment to and demonstrable progress in achieving recovery of the Bay-Delta ecosystem. To date, many of the BDCP Steering Committee members have not fully committed that the BDCP will meet the recovery requirements of the California Natural Community Conservation Planning Act (“NCCPA”). However, the federal Endangered Species Act requires that any lawful BDCP must not only prevent the extinction, but must also bring about the recovery of threatened and endangered species. *TVA v. Hill*, 437 U.S. 153, 185 (1978). The Ninth Circuit Court of Appeals has recently rejected several plans for failing to satisfy this recovery directive of the ESA. *National Wildlife Federation v. Nat’l Marine Fisheries Serv.*, 481 F.3d 1224, 1237-38 (9th Cir. 2007); *Gifford Pinchot v. U.S. Fish & Wildlife Service*, 378 F.3d 1059, 1069 (9th Cir. 2004).

While the decision has not been made yet as to whether or not the BDCP will be a Natural Community Conservation Plan (“NCCP”), our organizations continue to work to ensure that the final plan does meet NCCP standards. As such, we urge the agencies to broaden the list of species considered for conservation to include terrestrial wildlife and plants. The various alternatives to be examined within the BDCP will all have enormous impacts on land-based birds and wildlife as well as plants. The goal of any NCCP is to develop a plan that is designed to conserve the “entire community” of species within a planning area. To date, the NOI and other BDCP documents have not yet begun to grapple with the conservation issues beyond the imperiled fish species. The time has come for the BDCP parties to expand the list of species to include terrestrial as well as aquatic species. Therefore, the EIR/EIS must analyze impacts and conservation actions for all fish, wildlife and plants within the planning area, with particular attention to declining, sensitive, threatened and endangered species.

Finally, in light of ESA and NCCP “conservation” requirements, the EIS/EIR should make clear that recovery is a fundamental and necessary goal of any acceptable alternative.

V. THE EIS/R MUST INCLUDE A MEANINGFUL BASELINE FROM WHICH TO MEASURE IMPACTS

As indicated above, the NOP states that the water supply-related goal of the BDCP is “the restoration and protection of water supply reliability.” DWR NOP at 2. This statement includes significant ambiguity. Some parties are clearly seeking a “restoration” of deliveries to previous and unsustainable levels of exports. If this is the case, then BDCP could have the effect of increasing freshwater diversions, in comparison with current conditions. The EIR/EIS must include a meaningful regulatory baseline for current Delta operations, against which potential impacts would be measured. That baseline must include the existing protective measures required to protect delta smelt, pursuant to the

federal court's decision in *NRDC v. Kempthorne*. See Interim Remedial Order Following Summary Judgment and Evidentiary Hearing, *NRDC v. Kempthorne*, civ. no. 1:05-cv-1207 (Dec. 14, 2007). It must also include any requirements that may be imposed to protect crashing salmonid populations in the Sacramento and San Joaquin River systems in the companion case of *Pacific Coast Federation of Fishermen's Associations v. Gutierrez*, civ. no. 1:06-cv-0245. Clearly, court orders required to limit exports and diversions to protect imperiled fisheries provide evidence that the diversion levels of recent years are not sustainable and cannot serve as a reasonable baseline.

**VI. THE TIMELINE FOR THE BDCP DOCUMENT MUST REFLECT THE
TIMELINE FOR THE CONSERVATION STRATEGY PROCESS**

The timeline in the NOP indicates that the scoping process will be completed at the end of 2008. However, the timeline also indicates that the draft conservation strategy will not be completed for approximately another 6 months. It is inappropriate to close the scoping phase for the BDCP EIR/EIS in advance of the development of the draft plan that is the ostensible purpose of the process. Clearly, the process of developing a conservation strategy could lead to possible actions that may not be included in or anticipated by a scoping process that was completed half a year previously. This potential imbalance in the schedule could leave the public with the impression that water supply considerations, rather than conservation objectives, are driving the process. Therefore, we urge the lead agencies to adjust the scoping process as necessary to adequately incorporate the development of a conservation strategy. This adjustment would also likely provide adequate time for the BDCP to incorporate the final implementation recommendations of the Delta Vision process, which we believe would be of great benefit to the overall planning effort of both BDCP and Delta Vision.

In addition, it is possible that the schedule for the BDCP may need to be extended to adequately develop the conservation plan itself. Therefore, the lead agencies should make a provision to adjust the closure of the NEPA/CEQA scoping process in the event of any extensions in the BDCP timeline.

Thank you for considering our comments.

Comments of NRDC, EDF, and Defenders

March 24, 2008

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Sincerely,



Katherine Poole
Senior Staff Attorney
Natural Resources Defense Council



Kim Delfino
California Program Director
Defenders of Wildlife



Ann Hayden
Senior Water Resource Analyst
Environmental Defense Fund

ATTACHMENT 1



EFFECTIVE SOLUTIONS TO MEET CALIFORNIA'S WATER SUPPLY RELIABILITY NEEDS

The Bay-Delta Estuary is facing a crisis. Numerous species are listed as threatened or endangered, or proposed for listing. The Delta smelt is on the verge of extinction. The status quo is not sustainable for any of the Delta's users, including farmers, commercial and sport fishermen, Delta residents and the 23 million Californians who rely on the Delta for a portion of their water supply. Investments to improve water supply reliability must also improve conditions in the Delta. By directing state funds to alternative water supplies, Delta flood protection and restoring a healthy ecosystem, the State will help improve water supply reliability, meet the needs of a growing population and protect imperiled fish species.

There is a broad consensus regarding the most effective tools to meet California's future water supply needs. The 2005 California Water Plan update contains extensive, detailed estimates of the water supply potential of a range of proven water supply tools. The bar chart below presents many of those totals, ranging from low to high yield estimates. We believe that the more ambitious estimates are realistic, and that aggressive targets and ambitious programs are required to assure Californians a reliable water future. DWR estimates that the three tools with the greatest potential – urban water conservation, wastewater recycling and improved groundwater management – could, together, produce more than six million acre-feet of new water. This represents approximately as much water as the CVP and SWP have diverted from the Delta in recent years, and more than enough to reduce Delta diversions and meet future growth needs.

NRDC believes that total Delta diversions must be reduced from the unsustainable record levels in recent years. We are working with other members of the environmental community to develop a science-based target for that reduction, which we will provide to the Task Force in the near future. Urban water use efficiency and other tools discussed below can provide the State with near-term and cost-effective supplies to offset any impacts from a reduction in Delta supplies.

Proven “Cornerstone” Water Supply Reliability Tools

Urban Water Use Efficiency: Currently, urban areas use over eight million acre-feet of water during a typical year. One-third or more of this water is used to irrigate urban landscapes. Urban water use efficiency could yield up to **3,500,000 acre-feet** of water per year according to the Pacific Institute's most recent projections. (This estimate is close to DWR's estimate of 3.1 million acre-foot high estimate of the potential of urban conservation at \$230-522 per acre-foot.) Significant reductions in water use can be achieved through design, installation and maintenance of water efficient landscapes, along with indoor conservation measures in the commercial, industrial and residential sectors. These savings can be realized by investing in current, off-the-shelf technologies, reducing lost and unaccounted for water through system water audits, and increasing implementation of conservation pricing. New water efficient technologies will undoubtedly continue to emerge and contribute additional savings in the future.

Recycled Water: Recycling urban wastewater (also known as reclamation or re-use) is an important strategy to increase water supply. Recycled water is most frequently used for agricultural or landscape irrigation or groundwater recharge. DWR estimates water recycling can generate up to **1,500,000 acre-feet a year** by 2030 at average cost of \$600 per acre-foot.

Improved Groundwater Management: The Department of Water Resources estimates that improved groundwater management, such as the conjunctive use of surface and underground storage, has the potential to provide between 500,000 and 2 million acre-feet at costs ranging from \$10-600. The average cost in a recent round of applications received by DWR for conjunctive use projects was \$110 per acre-foot. The appropriate target for conjunctive use will be determined in part by decisions on water management in the Delta, which will influence potential yield from groundwater storage. Such investments are likely to yield greater benefits south of the Delta, where projects may be less constrained by Delta operations and provide greater independence from the Delta. This effort could also be coordinated with floodplain and habitat restoration efforts in the Central Valley.

Additional Effective Strategies

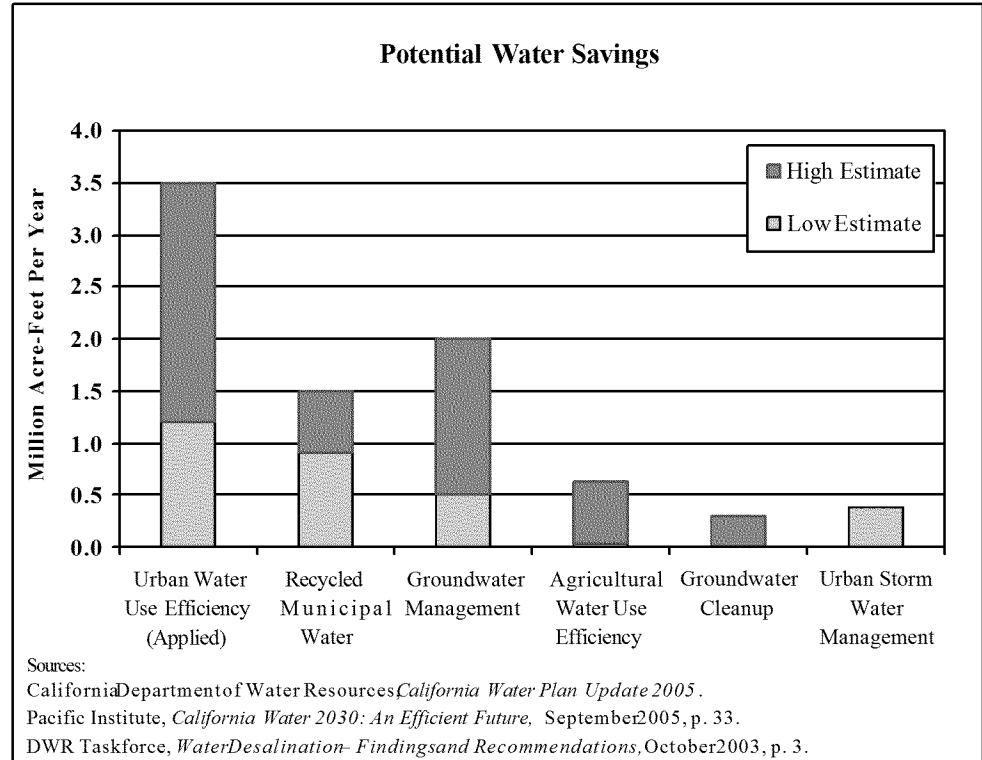
In addition to the key tools discussed above, a number of additional water management tools can generate significant additional supplies.

Agricultural Water Use Efficiency: Eighty percent of California's annual water use goes to agriculture. Although in some areas considerable strides have been made in water use efficiency, farming methods are not as water-efficient as they can be. The California Bay-Delta Authority's Year Four report estimates up to **620,000 acre-feet** of water can be saved through agricultural water use efficiency, which includes installing micro-irrigation technology or other water management improvements, at a cost of \$242 per acre-foot. We believe that these estimates understate the true potential of this tool.

Additionally, agricultural water is often highly subsidized. Pricing reform that sends clear, meaningful signals to agricultural water users can be very effective in encouraging increased water use efficiency.

Groundwater Clean-up:

Removing salts, including nitrates, from groundwater can be a cost-effective means of producing clean water supplies, recharging stressed and contaminated aquifers, and increasing groundwater storage capacity without the need to build expensive surface storage projects. DWR estimates brackish groundwater desalination costs \$250-500 per acre-foot, with a potential of yielding up to **290,000 acre-feet per year**.



Urban Storm Water Management: Urban water agencies, particularly in Southern California, are increasingly recognizing the potential to provide multiple benefits by capturing, treating (where necessary), storing and using urban storm water. Use of low impact development techniques (LID) results in the diversion and capture of storm water and dry-weather runoff before it flows into surface waters. This water can then be used on- or off-site as an alternative water source for irrigation of parklands, sporting fields, cluster housing groups, or for fire-fighting. Such projects can provide water supply and flood management benefits, while reducing coastal pollution from urban runoff.

Nationally, research has repeatedly shown that LID has the potential to deliver vast quantities of useable water through recharge and infiltration, and that it is the most effective and cost-efficient means of managing storm water and abating water pollution. Further, LID uses common sense and simple technology – strategically placed beds of native plants, rain barrels, “green roofs,” porous surfaces for parking lots and roads, and other tools – to retain rainfall on site or help rainfall soak into the ground, rather than polluting the nearest water body.

The Los Angeles Integrated Regional Water Management Plan indicates that proposed urban storm water management projects can generate **100,000 acre-feet** from urban storm water capture, and that the maximum potential is at least twice that amount. NRDC's preliminary estimate of the water savings from implementation of LID practices suggests that if LID were used in just 50% of all residential and commercial properties in Los Angeles, Riverside, and San Diego Counties, **377,000 acre-feet** annually could be infiltrated or otherwise reused. By offsetting energy-intensive imported water in like amounts, and after accounting for average energy requirements associated with pumping groundwater in these areas, LID could result in the reduction of up to 45,000 metric tons of CO₂ annually in Los Angeles County and an additional 55,000 metric tons of CO₂ in San Diego and Riverside Counties combined.

Transfers and Land Retirement. These tools must be carefully designed in order to avoid impacts to third parties. However, significant land retirement on the west side of the San Joaquin Valley is very likely and can generate significant water savings. For example, the Westlands Water District has advocated a land retirement program of up to 200,000 acres. Farming this land has historically required as much as 700,000 acre-feet of water.

Benefits of Alternative Water Management Strategies

A Healthier Bay-Delta and Other Ecosystems: Investments in surface storage could harm the Bay-Delta ecosystem by reducing flows to the Delta or increasing diversions from the Delta. In contrast, alternative water management tools would decrease our reliance on the Delta.

Energy Savings and Reduced Greenhouse Gas Emissions: Almost 20% of California's electricity use, and over 30% of its non-power plant natural gas use, is associated with the use of water. Water use efficiency and recycling can generate substantial energy savings and reductions in greenhouse gas emissions, and help the State meet AB 32 implementation targets.

Water Quality Benefits: Investing in water efficiency and groundwater cleanup will improve water quality by reducing urban runoff from lawns and gardens. In addition, investments in these tools will also help stretch limited state and federal funds available for water and wastewater treatment facility expansions and upgrades, by delaying or reducing the size of water system expansions. These investments will also improve drinking water quality, particularly for poorer communities in the Central Valley that rely on groundwater.

Reducing the Economic Risk from Delta Levee Failures: A massive levee failure in the Delta could jeopardize a critical water supply for 23 million Californians. Investments in alternative water management tools will reduce reliance on Delta diversions, thereby decreasing the risk to California's economy from potential Delta levee failures.

Strategies to Achieve Maximum Water Savings

This memo focuses on potential targets for a range of water management tools. The bullets below briefly outline key strategies that can maximize the water savings from these tools. We will present more details regarding these and other strategies in the future.

A Clear Conclusion Regarding Delta Diversion Totals: The single most effective thing the Delta Vision Task Force could do to encourage the development of alternative water supplies would be to make a clear, forceful recommendation regarding the need to reduce Delta diversions by a specified amount. Reducing Delta diversions will be a significant change from the trend over the last four decades. The likelihood that we will succeed in this transition will be greatly increased if the state has a clear goal to guide planning efforts and investments.

Learning from California's Energy Efficiency Success: California has emerged as a global leader in energy efficiency. We believe that the policy tools, such as a loading order and public benefits charges that have made this progress possible in the energy arena, can produce similar progress in encouraging water use efficiency. (See NRDC's white paper entitled: *Transforming Water Use: A California Water Efficiency Agenda for the 21st Century*.)

AB 32 Implementation: Reducing Delta diversions and investing in alternatives, such as water conservation, has the potential to significantly reduce energy use and greenhouse gas emissions. By integrating water planning with energy and climate change efforts, the state can take advantage of the synergies among these issues, including potential additional funding sources for less energy intensive alternatives to Delta diversions.

Integrated Regional Water Management: In recent years, IRWM has emerged as a key strategy to design water management solutions tailored to local needs, by considering local conditions, a full range of water management tools and a broad spectrum of potential benefits.

Credible Economics and Financing: Delta Vision should recommend that state and federal agencies carefully analyze the cost of alternative water supply strategies. Individual water agencies do this as a matter of course. However, state and federal agencies often fail to incorporate adequately basic economic analysis. For example, public funds dedicated to improving water supply reliability should be focused on the most cost-effective environmentally sound tools. The Delta Vision Task Force should develop recommendations to reduce water subsidies (e.g. by reforming renewed CVP contracts) and move toward real "beneficiary pays" financing.

ATTACHMENT 2

Testimony

Provided By

Jeffrey Kightlinger, General Manager
Metropolitan Water District of Southern California

On

The Immediate Federal and State Role in
Addressing Uncertain Water Deliveries for California
and Impacts on California Communities

Before the

Committee on Natural Resources
Subcommittee on Water and Power
United States House of Representatives

January 29, 2008

House Subcommittee on Water and Power
"The Immediate Federal and State Role in Addressing Uncertain Water Deliveries
for California and Impacts on California Communities"

Oral Testimony by Jeffrey Kightlinger, General Manager
Metropolitan Water District of Southern California

Thank you Chairwoman Napolitano. I am pleased to give you and the subcommittee a brief survey of the impacts being felt throughout Southern California from the evolving water situation and Metropolitan's response. We face a new reality and new roles for Metropolitan and the state and federal governments to bringing more certainty to our water future.

At the moment we are roughly on track for an average rainfall year in both Southern California and Northern California. Traditionally this was good news. Traditionally this would mean that Metropolitan would likely receive enough water from the Sacramento-San Joaquin Delta to meet local demands and make modest additions to our storage reserves.

But not this year. Because of ongoing environmental problems in the Delta, there are court-ordered curtailments in water deliveries that started late last year and are expected to last into June. At the moment, the State Water Project has committed to delivering 25 percent of water supplies to its contractors throughout California. This percentage may increase, but Metropolitan is making preparations for a significant cutback in supplies. Metropolitan is responding by seeking to purchase additional supplies on the open market and funding a \$6 million dollar water use efficiency outreach campaign to encourage conservation throughout our service area. In addition, Metropolitan's board of directors has approved over \$30 million to aggressively implement water conservation and recycled hook-ups for public agencies and the commercial and industrial sectors.

Our tracking polls suggest that nearly half of the 18 million people in our service area have gotten the message and are taking steps to lower water use. This is helpful. Along with our efforts to creatively manage our resources, Metropolitan also invested in efforts to increase our storage capacity. In fact, today we have 10 times the amount of water in storage than we did during the last drought in the late 1980s and early 1990s. This includes a \$2 billion capital investment in the building of Diamond Valley Lake, which alone nearly doubled the region's surface water storage capacity. Those reserves provide a cushion and give us some time. But, with the new restrictions in the Delta, we are now living on that borrowed time. That realization, and the uncertainties in the Delta, are beginning to create water supply impacts throughout the region.

Metropolitan, working with its member agencies, is developing a plan to equitably allocate our available State Water Project supplies from the Delta, the Colorado River Aqueduct and water stored in reserves. The primary objective of the plan is to minimize the impact on the overall regional economy. We are also striving to strike a balance recognizing needs from MWD, accounting for local supply and rewarding local districts that lower demands and increase supplies. A sterling example is Orange County. Last week it celebrated the opening of one of the largest water recycling facilities in the world. This facility will turn wastewater that used to drain into the Pacific Ocean into a reliable

high-quality drinking water supply that will help replenish the local groundwater basin. Metropolitan provided incentive funds to help make this project a reality. This is precisely the kind of strategic regional partnership that Metropolitan is working to replicate throughout our service area.

In the coming weeks and months, Metropolitan will review existing and new programs to lower demand and increase local supplies. We will be doing this despite rapidly rising costs from the State Water Project and other investments, which will likely require double-digit rate increases into the future. We continue to identify and implement new ways to lower demand and increase local supplies because we have seen the dramatic results of past efforts. And we are re-evaluating and updating our long-term water strategy, our Integrated Resources Plan, to determine if our conservation and local water supply targets should be even more ambitious.

To ensure our long-term plans are taking into account the impacts of climate change, Metropolitan has entered into a partnership with the RAND Corporation to develop appropriate planning models and protocols that would take into account long-term impacts on water supplies. The state has taken a leadership role with its energy policy, which is focused on landmark efforts to reduce greenhouse gases and working to ensure a better linkage between water and energy. Conserving water helps reduce the need to transport and treat water, which are energy-consuming activities. Metropolitan is evaluating its carbon footprint in tandem with our water supply and planning efforts. While there is much still to be done when it comes to water conservation, it is important to recognize how far Southern California has come. As an example, in the past 15 years Metropolitan has invested more than \$200 million in water-conserving devices. These conservation investments, combined with plumbing code reforms, reduce our potential demands by about a million acre-feet per year. Had we not been this successful in lowering demand and simply expected the State Water Project to solve the region's problems, our demand on the Delta would be about 50 percent larger now. Given the multiple changing conditions due to climate change, endangered species rulings and other impacts in the Delta, Metropolitan has embarked upon a comprehensive update of its long-term Integrated Resources Plan. A renewed focus on the development of local resource projects will help decrease our dependency on the Delta. But we do need a more reliable supply from the Delta than the current system is providing. And we embrace the notion that restoring the health of this ecosystem is an essential ingredient to creating a more reliable water system.

How can the federal government help? We urge the federal agencies to remain active and engaged participants in the Delta. We need a new biological opinion from the U.S. Fish and Wildlife Service that will guide the operations of the State Water Project and the Central Valley Project. Metropolitan is actively seeking operational strategies that can help reduce conflicts between pumping operations and fish migration patterns. We also need the active participation of the federal wildlife agencies in coming up with a new Bay Delta Conservation Plan, which is exploring new and better ways to separate the movement of water supplies from the natural flows in the estuary. Yes, that may mean some form of a canal as one piece of a much larger solution. We need the feasibility studies and better science to understand new ways of moving water supplies. The deliberations ahead should be based on new facts and not old fears. Metropolitan has made a commitment to seek reliability from Delta supplies, and to find the water for new

growth from within our service area, a historic difference between the emerging Delta discussion and debates of the past. Metropolitan urges the federal government – our elected officials, federal agencies and staff – to support our local resource projects including recycling and other conservation programs.

As for assistance from the state, while we recognize the challenging fiscal situation, there are ways that the state can help. Metropolitan seeks to sponsor or support state legislation that would create a standard approach for regional water boards to authorize water recycling projects that seek to store supplies in groundwater basins. There are hundreds of millions of dollars from bonds that voters have already approved that are available to address parts of the Delta problem and to help regions become more self-sufficient.

Metropolitan remains a constructive and realistic participant to bring about dramatic and historic change in the Delta. We are very pleased to have the interest and involvement of both the state and federal governments to solve our problems and a collective recognition that the Delta as we know and manage it today is a broken ecosystem that needs fixing. Thank you Chairwoman for today's hearing and I would be happy to respond to any questions.

ATTACHMENT 3

COMMITTEE ON RESOURCES

Subcommittee on Water and Power

“The Immediate Federal and State Role in Addressing Waste Deliveries for California and the Impacts in California Communities”

January 29, 2008

Testimony by
Richard W. Atwater
General Manager
Inland Empire Utilities Agency

I. Introduction

Thank you Chairwoman Grace Napolitano and members of the Subcommittee for Water and Power for the opportunity to testify before today regarding the water problems facing California. I am the General Manager of the Inland Empire Utilities Agency. The Subcommittee has asked four important questions related to how address the critical water problems from Judge Wanger’s court decision and how we develop regional and statewide strategies with the federal government to meet the challenges of having less water available from the Delta and the related issues with developing a sustainable ecosystem. The Inland Empire Utilities Agency in partnership with many other agencies in southern California and with financial assistance from the State of California and the Bureau of Reclamation is implementing a “Drought Proofing Strategy” that is a key element of a Delta Plan. We have recognized the challenges for a long time of meeting the statewide water needs in an environmentally responsible manner have committed over \$500 million over the past seven years to implement projects that will develop new local supplies in southern California and reduce our need for Delta exports.

A. Inland Empire Utilities Agency/Chino Groundwater Basin

The Inland Empire Utilities Agency, a municipal water district under California law, was formed in 1950 by a popular vote of its residents. The service area of the Agency is entirely in San Bernardino County and has a current population of approximately 800,000. The IEUA service area is rapidly growing and will probably increase by 50 percent to 1.2 million within the next 20 years. The Chino Groundwater Basin was adjudicated in 1978 and is governed by a 9 member Watermaster Board. Overall water use is about 350,000 acre-feet annually, 70 percent of the supplies are from local sources within the Santa Ana Watershed. With the rapid growth, demand from MWD could increase from 70,000 acre-feet per year currently to 150,000 acre-feet in 2020 if we did business as usual! However IEUA, Chino

Basin Watermaster and in cooperation with many other agencies have developed a “Drought Proof Plan” that will develop over 100,000 acre-feet of new local supplies to minimize the need for additional imported water from MWD, thereby reduce our need for more Delta (SWP) water supplies.

B. History, Background and Interagency Relationships with CALFED Bay-Delta Program

The Agency has been a member agency of the Metropolitan Water District since 1950 and distributes about 70,000 acre-feet of imported water to the cities of Chino, Chino Hills, Fontana (through the Fontana Water Company), Ontario, Upland, Montclair, Rancho Cucamonga (through the Cucamonga County Water District), and the Monte Vista Water District. The Agency also provides wastewater treatment service (four regional water recycling plants that produce about 60 million gallons per day or 67,000 acre-feet per year). Excess recycled water flows downstream into the Santa Ana River where the Orange County Water District recharges that water into the Orange County groundwater basin for drinking water.

The Agency is also a member of the Santa Ana Watershed Project Authority (SAWPA) and is an active member of the Santa Ana River Watershed Group and the Chino Basin Watermaster. As a member agency of SAWPA, the Agency’s water projects are closely coordinated with the SAWPA watershed wide planning and the funding of priority projects through the Water Bond Proposition 13 and Proposition 50 grants.

Public and Private Partnerships to Improve the Santa Ana Watershed

- ⌘ Santa Ana Watershed Project Authority (SAWPA) has maintained an inclusive dialogue with all interested parties and is leading the update of the Santa Ana integrated regional watershed management plan through the “One Water-One Watershed” (OWOW) process;
- ⌘ All local governments within the three counties (San Bernardino, Riverside and Orange) are working cooperatively together to manage growth and plan for the water/wastewater infrastructure needed to meet the needs of this rapidly urbanizing watershed;
- ⌘ Partnerships with industry including dairies, manufacturing, and developers have resulted in creative solutions to local water quality problems (e.g. the Santa Ana brine sewer to the ocean) as well as producing new sources of renewable, cost effective energy;
- ⌘ Industrial customers throughout the area are planning on using recycled water to reduce costs, ensure reliability, and to be excellent environmental stewards.

The Chino groundwater basin is one of the largest in Southern California. The Chino Basin Watermaster adopted an Optimum Basin Management Plan (OBMP) to protect the water

quality of the basin and to manage the local supplies effectively to the maximum benefit of the local ratepayers. A key element is the expansion of the conjunctive use operation of the Chino Basin to expand the storage and recovery by approximately 300,000 to 500,000 acre feet.

Other key components are the Inland Empire Utilities Agency regional water recycling project to develop new local supply of 100,000 acre-feet per year and the Chino Basin desalters that would develop an additional new local supply of 40,000 acre-feet per year.

The key benefits of the Chino Basin regional “OBMP” water plan are as follows:

Benefits

- æ *Provide a more dependable local water supply and reduce the likelihood of water rationing during future droughts and the impacts of climate change;*
- æ *Economic benefits of reliable water supply to industry and provide incentives to attract new industry and jobs in the Inland Empire region;*
- æ *Environmental protection – reduce wastewater discharges into Santa Ana River by 50 percent through local water recycling and protect Orange County drinking water supplies through implementation of comprehensive lower Chino Dairy area manure management strategy;*
- æ *Reduce imported water use in the rapidly growing Inland Empire region (upper Santa Ana River Watershed) and thereby contribute in a significant manner to the statewide CALFED Bay-Delta and Colorado River solutions through more efficient use of existing local supplies;*
- æ *Assist in solving multiple Endangered Species Act problems within the Santa Ana Watershed, the CALFED Bay-Delta program, and the Colorado River/Salton Sea;*
- æ *Implement a sustainable long-term water resources management program that maintains the salt balance of the Santa Ana River watershed;*
- æ *Reduce the energy intensity of the region’s water supplies, helping to conserve energy and reduce greenhouse gas emissions that are contributing to climate change.*

II Chino Basin “Drought Proofing Strategy”

The IEUA Urban Water Management Plan, adopted in December 2005 and the Chino Basin Watermaster Optimum Basin Management Plan, document the overall strategy for improving the water supply reliability in the Chino Basin area.

- 9 Water Conservation – 10% savings 35,000 AF
- 9 Water Recycling – 100,000 AF
- 9 Local Groundwater Storage and Conjunctive Use – 500,000 AF of new storage
- 9 Chino Desalter 40,000 AF

- 9 Stormwater – 25,000 acre-feet of new supplies
- 9 Renewable Energy and Organics Recycling – Clean energy through biodigesters (using biosolids, dairy manure and food waste), solar power and wind power (goal of 15 megawatts)
- 9 Water Quality Management – Establishment of Chino Creek Wetlands and Educational Park at IEUA and a continued partnership with Orange County Water District on Prado Wetlands implementation of the Chino Creek Integrated Watershed Plan.

A. Water Conservation- (35,000 acre-feet per year, 10 percent of overall use)

IEUA and its retail utilities are committed to implementing the Memorandum of Understanding (MOU) regarding Urban Water Conservation in California. IEUA is an active member of the California Urban Water Conservation Council (CUWCC). Currently, the Agency is expanding its conservation efforts to promote both water and *energy* conservation programs to our customers. IEUA's goal is to reduce water demands by 10 percent (35,000 acre-feet per year) through aggressive implementation of customer conservation programs. Innovative programs initiated by IEUA include the Inland Empire Landscape Alliance, in which elected officials from cities and water agencies within IEUA's service area are working to promote outdoor conservation including turf reduction rebates, use of California-friendly native plants and new regional model landscape ordinances that will promote water savings. Other programs include conservation rebates which are offered in partnership with the Metropolitan Water District of Southern California (ultra-low-flow toilets, weather-based irrigation controllers, synthetic turf, efficient sprinklers, water brooms X-Ray recirculation units and other water saving devices), landscape audits, and school education programs including the award-winning Garden In Every School program.

B. Water Recycling (50,000 acre-feet by 2010)

IEUA owns and operates four water recycling plants that produce high quality water that meets all state and federal requirements for non-potable landscape irrigation, industrial uses, and groundwater replenishment. Since 2000 the Agency has spent over \$60 million expanding its recycled water distribution system and currently recycles about 15,000 acre-feet annually. Recently the IEUA Board approved an accelerated implementation plan to increase annual recycled water use to approximately 50,000 acre-feet within the next 3 years by constructing "purple" recycled water pipeline system to hookup existing large customers (schools, golf courses, city parks, groundwater recharge). IEUA's Board has approved a \$140 million budget to expedite the construction of recycled water pipeline distribution system. The accelerated implementation plan was developed through a collaborative process with local cities, water districts, Chino Basin Watermaster and other stakeholders and represents a comprehensive evaluation of the infrastructure needed to maximize recycled water use in the region. In addition, IEUA and local cities have coordinated with developers to incorporate dual "purple" piping into new urban developments to maximize recycled water use for non-potable purposes.

The energy demands to produce and deliver recycled water are less than one third of the energy required to deliver water through the State Water Project. Additional energy savings are included in the plan by building new smaller water recycling plants in the northern part of our service area to provide recycled water to communities (Upland, Fontana, and Rancho Cucamonga) without the need to pump the water to them. The Cucamonga County Water District (CCWD) proposed satellite plant authorized by HR 2919 would be the prototype water recycling plant to reduce energy use of pumping recycled water to the higher elevations along the San Gabriel Mountains.

Approximately 25% of the recycled water will be used for groundwater replenishment within the Chino Groundwater basin to augment the potable water supply. IEUA and Chino Basin Watermaster recently got court approval to expand the artificial recharge of the Chino Basin Groundwater Basin. The plan is to blend recycled water with stormwater and imported water in a coordinated fashion with flood control district to ensure that all water sources are conserved in an optimal manner (targeted goal is an additional recharge of 80,000 acre-feet per year).

C. Local Groundwater Storage and Conjunctive Use (500,000 acre-feet of new storage)

The Chino Basin Watermaster is implementing an Optimum Basin Management Plan to enhance the conjunctive use storage of the Chino Basin. Today MWD has stored over 80,000 AF in the Basin and has funded \$1.5 million in engineer feasibility studies to expand the storage to 150,000 AF. The Optimum Basin Management Program developed over the past two years by the Chino Basin Watermaster would implement a comprehensive water resources management strategy to drought proof the area and enhance the yield of the groundwater basin. The Chino Basin Watermaster has developed a conjunctive use program to store 300,000 – 500,000 acre-feet of imported water in wet years for drought year withdrawal for local, regional and statewide availability. In June, 2003 IEUA, Chino Basin Watermaster, Three Valleys MWD, Western MWD and the Metropolitan Water District executed an agreement for the initial 100,000 acre-feet of storage and recovery projects (\$27.5 million funding from MWD and Calif. DWR). In June 2007 MWD agreed to fund studies to evaluate expanding this storage program.

D. Chino Desalination Projects (40,000 acre-feet annually by 2020)

Historically, Colorado River water (relatively high salinity) and “Route 66” agricultural practices have caused areas of the Chino Basin to have high salts that make the water unfit for domestic uses. To correct this problem and to recover this poor quality water, the Chino Basin Optimum Management Plan recommends implementation of groundwater cleanup projects to pump and treat poor quality groundwater to meet drinking water standards. Additionally, the desalination projects of the lower Chino Basin area will protect and enhance the water quality of the Santa Ana River and the downstream use by Orange County. HR 813 (passed the House on October 22, 2007) would provide authorization under the Bureau of Reclamation’s Title XVI program to provide funding for the third Chino desalter and brine line improvements with the SAWPA SARI brine system

recommended in the Southern California Comprehensive Water Reclamation and Reuse Study (USBR, 2003) and the joint MWD/USBR Salinity Management Study (1999). The third phase expansion is projected to cost \$110 million and increase to approximately 40,000 AF.

E. Stormwater (25,000 acre-feet annual average of new stormwater capture percolation)

A critical issue facing the coastal plain of Southern California as the region continues to urbanize and hardscape our landscapes will be how to implement both small scale and larger scale projects for stormwater capture to allow percolation into our groundwater basins. IEUA in coordination with the Chino Basin Watermaster, the San Bernardino County Flood Control District and the Chino Basin Water Conservation District has developed an integrated recharge master plan to optimize the capture of stormwater with replenishment of imported water from MWD and our local recycled water to enhance the storage and recovery of water from the Chino Basin. During the past five years, IEUA has funded construction of over \$50 million in improvements on the Groundwater Recharge Basin.

IEUA is also sponsoring innovative small scale, on-site (neighborhood development) storm water management projects to enhance percolation of rainfall to minimize runoff, reduce contamination of rainwater before it percolates into the ground and to cost effectively reduce flood control requirements while helping the cities and county meet regulatory requirements. This innovative program is being funded in partnership with the CALFED Bay-Delta Program, Metropolitan Water District of southern California, and the Southern California Concrete Association.

III. Climate Change Impacts on California Water Supplies

In the fall of 2006 IEUA collaborated with RAND on a study of the potential affects of Climate Change on the IEUA and Chino Basin area. This work has been recently completed and a Congressional briefing will held on January 31, 2008 to explain the findings of this report. Climate change will affect water supplies in California, but few water-management agencies in the state have formally included climate change in their water-management plans. RAND researchers have worked with Southern California's Inland Empire Utilities Agency to help it identify vulnerabilities related to climate change in its long-term water plans and to evaluate its most effective options for managing those risks. But in summary the RAND research project highlights the critical need to develop more local supplies in California (e.g., water recycling, local groundwater storage and stormwater replenishment programs, implement excellent water use efficiency/conservation programs) to avoid significant water shortages and economic impacts.

IV. Future Issues and Need for Federal Assistance

Southern California does have enormous water problems when you consider the following trends:

- 9 *The current population is about 18.5 million and will likely double over the 50 years;*
- 9 *The imported water infrastructure from MWD can optimistically only deliver 2.4 million acre-feet, assuming resolution State Water Project Delta issues and the Colorado River problems are successfully resolved;*
- 9 *Climate change is expected to impact both amount and timing of future water supplies, increasing the likelihood of shortages during critical times;*
- 9 *Importing water to southern California requires a large amount of electrical energy, substantially more than the alternative local supplies (recycled water, capturing stormwater, and groundwater recovery of poor quality water);*
- 9 *The region faces significant shortages unless we develop a local supply strategy.*

The issue for the region as articulated in the MWD Integrated Water Resources Plan adopted in 2004, is to develop a balanced approach to multiple sources of supplies with a clear priority to local resources management and emphasis on less energy intensive uses of water that protect water quality and the wildlife habitats of the region.

Addressing the four questions asked in the letter inviting me to testify.? My response to these questions and suggestions are as follows:

The Committee should continue to examine the opportunities for State and Federal agency partnerships to promote water use efficiency programs recommended in the CALFED Bay-Delta Record of Decision (increase water conservation, water recycling and new local groundwater storage programs to reduce the need for Delta exports consistent with the California Water Plan.

The Committee has developed Views and Estimates in the past few years that strongly supports increased funding for the Bureau of Reclamation's Title XVI Program. For FY 2009 I recommend the Committee support an increase of \$100 million increase in the funding of Title XVI Program expenditures.

A coordinated approach to regional infrastructure planning for water supply, groundwater management, stormwater, wastewater reuse and recycling needs to be integrated on a watershed and regional scale. Regional leadership in the planning of flood control, wastewater and water facilities is an opportunity that can save billions over the next 5 decades as well as help address the serious challenge facing this nation through climate change. The federal government should be a partner in this process helping both to facilitate redirection of federal programs to support local planning and providing funding for projects that contribute to the nation's goals for water security and reduction of climate

change impacts. EPA, Army Corps, US Bureau of Reclamation, the USDA Natural Resources and Conservation Service all have significant activities within the region.

A historic example of a state/federal partnership was the leadership of this committee in 1996 in drafting the CALEED Bay-Delta legislation that provided the authorization.

I would recommend that your Committee hold additional hearings on these opportunities to develop new regional, state and federal partnerships that address comprehensively watershed divide problems

In closing, thank you for the opportunity to testify. If I can provide any additional information on the current and future water problems facing California, please don't hesitate to contact me.

ATTACHMENT 4



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

PRESS RELEASE

02/29/2008 GAAS:112:08 FOR IMMEDIATE RELEASE

Governor Schwarzenegger Outlines Comprehensive Actions Needed to Fix Ailing Delta

Governor Schwarzenegger sent the following letter to Senators Perata, Steinberg, and Machado in response to their unfounded concerns that his administration is "unilaterally" beginning work on a so-called "peripheral canal." Consistent with the extensive work done by his administration over the last two years to gain consensus on a bipartisan legislative solution for a comprehensive plan to upgrade California's water infrastructure, Governor Schwarzenegger detailed his agenda in the following letter:

February 28, 2008

The Honorable Don Perata The Honorable Darrell Steinberg
President pro Tempore California State Senate
California State Senate State Capitol
State Capitol Room 4035
Room 205 Sacramento, California 95814
Sacramento, California 95814

The Honorable Mike Machado
California State Senate
State Capitol
Room 5066
Sacramento, California 95814

Dear Don, Mike and Darrell,

My administration has been working on solutions for addressing California's water supply and the environmental crisis in the Sacramento-San Joaquin Delta for more than two years. As you all have acknowledged during our negotiations on a comprehensive water infrastructure package over the last year, the heart of California's vital water supply system is in jeopardy of collapse without both immediate action and long term solutions to restore the ecosystem and protect water supplies.

I created the bipartisan Delta Vision Blue Ribbon Task Force by administrative action in 2006. The Task Force has issued its Vision and will develop a Strategic Plan to implement the Vision by the end of this year. In its recommendations, the Task Force identified a series of near-term actions that should be taken to protect the estuary, including studying the options for improving water transfer in the Delta. Far from acting unilaterally, my administration has been transparent in working with stakeholders and legislators on identifying both administrative and legislative actions that will be necessary to address the recommendations of the Task Force. As part of that effort, I will continue to negotiate in good faith with legislators on a comprehensive water infrastructure package.

To clarify the administrative actions we are considering as part of a comprehensive solution in the Delta, let me outline some of the key elements under development:

1. **A plan to achieve a 20 percent reduction in per capita water use statewide by 2020.** Conservation is one of the key ways to provide water for Californians and protect and improve the Delta ecosystem. A number of efforts are already underway to expand conservation programs, but I plan to direct state agencies to develop this more aggressive plan and implement it to the extent permitted by current law. I would welcome legislation to incorporate this goal into statute.
2. **Protection of floodplain in the Delta.** The Department of Water Resources (DWR) and other appropriate state agencies will expedite the evaluation and protection of critical floodplains. This action protects people and property, the existing water export system and the Delta ecosystem.
 - { **Policy guidance on Delta land use.** The Blue Ribbon Task Force made it clear that changing land use patterns may limit our ability to address critical issues with the existing water export system and the Delta ecosystem. Accordingly, I will ask the Delta Protection Commission to update their Land Use and Resource Management Plan and direct the Governor's Office of Planning & Research and the State Architect to develop model Delta land use guidelines for distribution to local governments.
 - { **Levee protection and standards.** DWR is actively involved in efforts to improve our flood protection and levee systems and, as part of this effort, should establish recommended standards for Delta levees.
3. **Multi-agency Delta disaster planning.** DWR, in coordination with the Office of Emergency Services, and other appropriate state agencies will develop and implement an emergency response plan and conduct a multi-agency disaster planning exercise in the Delta.
 - { **Contract for emergency response equipment and services.** I will authorize DWR to continue its efforts to obtain equipment and services including barge services, sheet piling and other flood fighting materials to respond to disasters in the Delta. In addition to my previous orders, we must expedite the placement of materials and supplies in and near the Delta, to improve our emergency response capabilities.
4. **Expedite interim Delta actions.** The Resources Agency, DWR, Department of Fish and Game and the State Water Resources Control Board have already begun efforts to help protect and restore Delta habitat and help water users cope with supply interruptions.

I will direct the Resources Agency to expedite the completion of the Bay Delta Conservation Plan (BDCP), including the environmental review and permitting activities. Ongoing Delta actions, in conjunction with these efforts, will provide a foundation to help conserve at-risk species and improve water supply reliability.

5. **Water quality.** While additional storage and improved conveyance can allow greater control

of water flows that improve drinking water quality, more must be done. I will direct the State Water Resources Control Board to develop and implement a comprehensive program in the Delta to protect water quality.

6. **Improvements to Delta water conveyance.** DWR and other appropriate state agencies will soon begin the public process to study the alternatives available for improving the Delta water conveyance system. As part of this study, DWR must coordinate with BDCP efforts to recover at-risk species. DWR must also incorporate the issues of water supply reliability; seismic and flood durability; ecosystem health and resilience; water quality; and projected schedule, cost and funding in their options review, as suggested by the Task Force.

The Task Force recommended that we study a "dual conveyance facility" as a starting point. However I believe we must look at a full range of options for improving conveyance in the Delta.

Accordingly, I intend to direct DWR to proceed with the NEPA/CEQA analysis on at least four alternatives for Delta conveyance. They shall consider the following:

- z The possibility of no new Delta conveyance facility;
 - z The possibility of a dual conveyance facility, as suggested by the Task Force;
 - z The possibility of an isolated facility;
 - z The possibility of substantial improvements and protections of the existing water export system, most often referred to as 'armoring the Delta' or a "through-Delta" solution.
7. **Water storage.** DWR will complete the feasibility studies for the CALFED storage projects including Temperance Flat, Sites Reservoir, and the Los Vaqueros expansion. Each of these projects, depending on how they are built and operated, can provide substantial public benefits. Unlike in the past, when local entities built storage facilities for their own benefit and with little state investment, the current deteriorating condition of the Delta and the statewide water system demand public investment in exchange for the public benefit the entire state will realize.

In addition, I will direct DWR to expedite funding for groundwater storage projects throughout the state that will improve water supply reliability.

Please know that I will continue to work with the Legislature and all stakeholders to develop a comprehensive solution to the crisis in the Delta, and I will act on administrative measures in a transparent manner at the appropriate time.

California's history is filled with innovators and problem solvers. In 2006, with Democrats and Republicans working together for a common cause, we added to that legacy by building up our infrastructure. We showed leadership, not for the benefit of our own ambitions, but for the future of the state. That's something that Californians weren't used to, and they responded forcefully, approving all of the bonds. It's time for us to put the state first and add another chapter to the history books. It's time to secure a safe, clean and reliable water supply for the next generation of Californians. We have a great opportunity, and the people are counting on us. Let's not let it pass.

Sincerely,

Arnold Schwarzenegger